

V I R G I N I A:

## BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQUITABLE RESOURCES ENERGY COMPANY )  
 A West Virginia Corporation )  
 )  
 RELIEF SOUGHT: (1) ESTABLISHMENT OF THE DRILLING ) VIRGINIA GAS  
 UNIT DESCRIBED IN EXHIBIT "A" ) AND OIL BOARD  
 HERETO AND SERVED BY WELL NO. )  
 V-2540 (herein "Subject ) DOCKET NO.  
 Drilling Unit") PURSUANT TO ) 97-0819-0599  
 § 45.1-361.20, CODE OF )  
 VIRGINIA, AND (2) POOLING OF )  
 INTERESTS IN SUBJECT DRILLING )  
 UNIT PURSUANT TO § 45.1-361.21, )  
 CODE OF VIRGINIA, FOR THE )  
 PRODUCTION OF GAS OTHER THAN )  
 COALBED METHANE GAS FROM SUBJECT )  
 FORMATIONS (herein referred to as )  
 "Conventional Gas" or "Gas") )  
 )  
 )  
 LEGAL DESCRIPTION: )  
 )  
 )  
 DRILLING UNIT SERVED BY WELL NUMBERED )  
 V-2540 TO BE DRILLED IN THE LOCATION )  
 DEPICTED ON EXHIBIT A HERETO, )  
 PVRC TRACT 734 )  
 FLAT GAP QUADRANGLE, )  
 GLADEVILLE MAGISTERIAL DISTRICT, )  
 WISE COUNTY, VIRGINIA )  
 (the "Subject Lands" are more )  
 particularly described on Exhibit )  
 "A", attached hereto and made a )  
 part hereof) )

REPORT OF THE BOARDFINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on August 19, 1997, Dickenson Conference Center, Southwest Virginia Education 4-H Center, Abingdon, Virginia.

2. Appearances: James E. Kaiser of Wilhoit & Kaiser appeared for the Applicant; Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.

3. Jurisdiction and Notice: Pursuant to § 45.1-361.1 et seq., Virginia Code, 1950 as amended, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a

meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; (2) has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by § 45.1-361.19, Virginia Code, 1950 as amended, to notice of this application; and (3) that the persons set forth in Exhibit B hereto have been identified by Applicant as owners of Gas interests underlying Subject Drilling Unit, including those who have not heretofore leased, sold or voluntarily agreed with the Applicant to pool their Gas interests in Subject Drilling Unit. Further, the Board has caused notice of this hearing to be published as required by § 45.1-361.19.B, Virginia Code, 1950 as amended. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: None.

5. Dismissals: None.

6. Relief Requested: Applicant requests (1) that pursuant to § 45.1-361.20, Code of Virginia, 1950, as amended, the Board establish Subject Drilling Unit to be served by Well No. V-2540; (2) that pursuant to § 45.1-361.21, Code of Virginia, 1950 as amended, the Board pool the rights, interests and estates in and to the Gas of the known and unknown persons listed in revised Exhibit B hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Gas from the Subject Drilling Unit established from the surface to the total depth drilled of 5,175 feet for all Devonian Shale, including, the Base Lee Sands, Ravencliff, Maxon, Big Lime, Borden, Coffee Shales, Berea, and Devonian Shale Formations (herein "Subject Formations") underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"); and, (3) that the Board designate Applicant as Unit Operator.

7. Relief Granted: The requested relief in this cause be and hereby is granted and: (1) Pursuant to § 45.1-361.20, Code of Virginia, 1950 as amended, the Board hereby establishes Subject Drilling Unit; (2) pursuant to § 45.1-361.21.C.3, Code of Virginia, 1950 as amended, EQUITABLE RESOURCES ENERGY COMPANY (hereafter "Unit Operator") is designated as the Operator authorized to drill and operate Well No. V-2540 in the Subject Drilling Unit to produce Conventional Gas from Subject Formations, subject to the permit provisions contained in § 45.1-361.27 et seq., Code of Virginia, 1950 as amended, to § 4 VAC 25-150 et seq., Gas and Oil Regulations and to § 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time; and (3) the rights, interests and estates in and to the Conventional Gas in Subject Drilling Unit including those of the known and unknown persons listed on revised Exhibit B, attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, leased or unleased, be and hereby are pooled in the Subject Formations in the Subject Drilling Unit

underlying and comprised of the Subject Lands.

<u>Subject Formations</u>	<u>Unit Size</u>	<u>Permitted Well Location</u>	<u>Field and Well Classification</u>
Surface to total depth drilled of 5,175 feet for all Devonian Shale, including the Base Lee Sands, Ravencliff, Maxon, Big Lime, Borden, Coffee Shales, Berea, and Devonian Shales Formations	Approximately 112.69-acre circular drilling unit	V-2540 (See Exhibit A)	No applicable field rules; subject to the statewide spacing requirements of Va. Code § 45.1-361.17

For the Subject Drilling Unit  
underlying and comprised of the Subject  
Land Served by Well No. V-2540

Wise County, Virginia

8. Election and Election Period: In the event any Gas owner named in revised Exhibit B has not heretofore reached a voluntary agreement to share in the operation of the well to be located in Subject Drilling Unit at a rate of payment mutually agreed to by said Gas owner and the Operator, then, such person may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 herein to the designated Unit Operator at the address shown below within thirty (30) days from the date this Order is recorded in the county above named. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed his written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: Any Gas owner named in revised Exhibit B who has not reached a voluntary agreement with the Operator may elect to participate in the development and operation of the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs, including a reasonable supervision fee, of the well development and operation in the

Subject Drilling Unit, as more particularly set forth in Virginia Gas and Oil Board Regulation 4 VAC 25-160-100 (herein "Completed for Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Estimated, Completed-for-Production Costs as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The estimated Completed-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs:

\$275,100.00

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operator's percentage Interest Within Unit as set forth in revised Exhibit B times the costs stated immediately above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the Estimated, Completed-for-Production Costs as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

- 9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above, any Gas owner named in revised Exhibit B who has not reached a voluntary agreement with the Operator may elect to accept a cash bonus consideration of \$5.00 per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Gas produced from any well development covered by this Order multiplied by the Gas owner's percentage Interest Within Unit as set forth in Exhibit B (for purposes of this Order, net proceeds shall be actual proceeds received less post-production costs incurred downstream of the wellhead, including, but not limited to, gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said Gas owner. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within one hundred twenty (120) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial

cash bonus and the annual cash bonuses, if any, are so paid or escrowed, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing Gas owner in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

The election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to and hereby does lease and assign its right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, any gas owner named in revised Exhibit B, who has not reached a voluntary agreement with the Operator may elect to share in the development and operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

The election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and hereby does assign his right, interests, and claims in and to the Gas

produced from Subject Formation in the Subject Drilling Unit to the Unit Operator for the period of time during which his interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person entitled to elect fails to do so within the time, in the manner, and in accordance with the terms of this Order one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed development and operation of Subject Drilling Unit and shall be deemed, subject to any final legal determination of ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned his right, interests, and claims in and to Gas in the Subject Drilling Unit to the Unit Operator. Persons who fail to properly elect shall be deemed to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person so entitled elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Estimated Completed-for-Production costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within sixty (60) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any 1/8th royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person pooled hereby is unable to reach a voluntary agreement to share in the operation of the well contemplated by this Order at a rate of payment agreed to mutually by said Gas owner and the Operator, and said person elects or fails to elect to do other than participate under Paragraph 9.1 above in the development and operation of the well in Subject Drilling Unit, then such person shall be deemed to have and shall have assigned unto Unit Operator such person's right, interests, and claims in and to said well, in Subject Formations in Subject Drilling Unit, and other share in and to Gas production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said elections.

13. Unit Operator (or Operator): **EQUITABLE RESOURCES ENERGY COMPANY** be and hereby is designated as Unit Operator authorized to drill and operate Well No. V-3686 in Subject Formations in Subject Drilling Unit, all subject to the permit provisions contained in Section 45.1-361.27 et seq., Code of Virginia, 1950 as amended, §§ 4 VAC 25-150 et seq., Gas and Oil Regulations and §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

**EQUITABLE RESOURCES ENERGY COMPANY**  
P. O. Box 1983  
1989 East Stone Drive  
Kingsport, TN 37662  
Phone: (423) 224-3800  
Fax: (423) 224-3892  
Attn: Dennis R. Baker, Regulatory

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of any well covered hereby within three hundred and sixty-five (365) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums becoming payable hereunder; otherwise, unless sooner terminated by Order of the Board, this Order shall expire at 12:00 P.M. on the date on which any well covered by this Order is permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the Petition for Appeal and the final Order of the Circuit Court shall be excluded in calculating the one year period referenced herein.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are a charge against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

16.1 Escrow Account: By this Order, the Board instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account, (herein "the Escrow Account") to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

Tazewell National Bank  
Trust Department  
c/o Premier Bankshares Corporation  
29 College Drive, P. O. Box 1199  
Bluefield, VA 24605-1199  
Telephone: (540) 322-2242  
Fax: (540) 322-2766

16.2. Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator and shall, pursuant to Section 45.1-361.21.D, Code of Virginia, 1950 as amended, be deposited by the Operator into the Escrow Account, commencing within ninety (90) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with § 45.1-361.21.D., Code of Virginia, 1950 as amended.

17. Special Findings: The Board specifically and specially finds:

- 17.1 Applicant claims ownership of Gas leases on 86.35 percent of Subject Drilling Unit and the right to explore for, develop and produce Gas from same.
- 17.2 Applicant is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
- 17.3 Applicant has proposed the drilling of Well No. V-2540 on the Subject Drilling Unit at the location depicted in Exhibit A to develop the pool of Gas in Subject Formations.
- 17.4 Set forth in Exhibit B is the name and last known address of each person of record identified by the Applicant as Gas owners within Subject Drilling Unit, including those persons who have not reached a voluntary agreement to share in the operation of Well V-2540 at a rate of payment agreed to mutually by said gas and oil owners and the Operator. Gas interests unleased to the Operator represent 13.65 percent of Subject Drilling Unit.
- 17.5 The proposed depth of Well No. V-3540 is 5,175 feet.
- 17.6 The estimated production over the life of the proposed well is 600 million cubic feet.
- 17.7 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the

right to participate in any well covered hereby are those options provided in Paragraph 9 above.

17.8 The Subject Drilling Unit does not constitute an unreasonable or arbitrary exercise of Applicant's right to explore for or produce Gas.

17.9 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person in the Subject Drilling Unit the opportunity to recover or receive, without unnecessary expense, each person's just and fair share of the production of the gas and/or oil from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of gas and oil, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.

18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of receipt of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each person pooled by this Order whose address is known.

19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).

20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

21. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 et seq. and Rule 2A of the Rules of the Virginia Supreme Court.

22. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 22<sup>nd</sup> day of October, 1997, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 22<sup>nd</sup> day of October, 1997, by  
Order of this Board.

Byron Thomas Fulmer  
Byron Thomas Fulmer  
Principal Executive To The Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA       )  
COUNTY OF WISE        )

Acknowledged on this 22<sup>nd</sup> day of October, 1997, personally  
before me a notary public in and for the Commonwealth of Virginia, appeared  
Benny Wampler, being duly sworn did depose and say that he is Chairman of the  
Virginia Gas and Oil Board, that he executed the same and was authorized to do  
so.

Susan G. Garrett  
Susan G. Garrett  
Notary Public

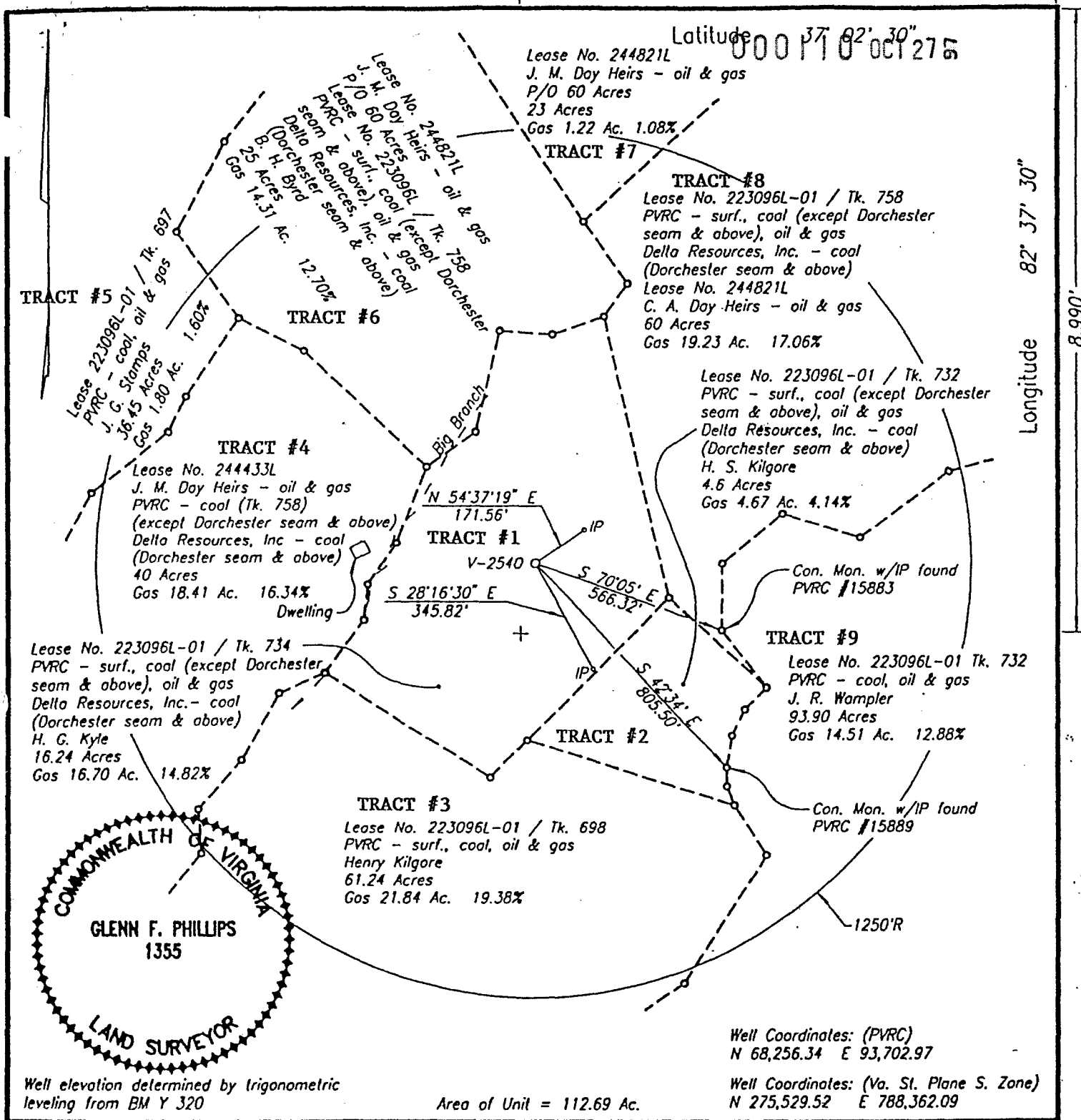
My commission expires 7/31/98

STATE OF VIRGINIA       )  
COUNTY OF WISE        )

Acknowledged on this 22<sup>nd</sup> day of October, 1997, personally  
before me a notary public in and for the Commonwealth of Virginia, appeared  
Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal  
Executive to the Staff of the Virginia Gas and Oil Board, that he executed the  
same and was authorized to do so.

Diane J. Davis  
Diane J. Davis  
Notary Public

My commission expires 9/30/97



COMPANY Equitable Resources Energy Company WELL NAME AND NUMBER V-2540  
TRACT NO. 734 ELEVATION 2358.78 QUADRANGLE Flat Gap  
COUNTY Wise DISTRICT Glodeville SCALE 1" = 400' DATE 7-11-1997

# EXHIBIT "B" V-2540

000111 OCT 27 5

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
1	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREC 223096L-01 TR 734	14.820000%	16.7000
2	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREC 223096L-01 TR 732	4.140000%	4.6700
3	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREC 223096L-01 TR 698	19.380000%	21.8400
4	<u>HEIRS OF JAMES M. DAY</u>  <u>James A. Day Heirs</u>  <u>Maude Kilgore Heirs</u>  Arthur Kilgore and Shirley Kilgore, H/W P. O. Box 2438 Wise, VA 24293  <u>Delmar Day Heirs</u>  Belle Day AKA Belle Calhoun, Widow Route 2, Box 334 Wise, VA 24293  James L. Day and Pam Tripplett Day, H/W 151 Kingston Circle Coppell, TX 75019  <u>Roxanna Robinette Heirs</u>  Clarence Robinette, Widower P. O. Box 296 Wise, VA 24293  Goldie Stidham, Widow 311 Walnut Street Noblesville, IN 46060	Leased-EREC 244433L-17          Leased-EREC 244433L-37      Leased-EREC 244433L-18      Leased-EREC 244433L-19      Leased-EREC 244433L-08	2.042500%          [0.000000%] Life Estate   2.042500% Remainderman      0.817000%    0.817000%	2.3013          [0.0000]      2.3013      0.9205    0.9205

# EXHIBIT "B" V-2540

000112 OCT 27 5

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<u>Crawford Robinette Heirs</u>			
	Ronnie Robinette and Gale Robinette, H/W 13028 Bellerive Drive Orlando, FL 23828	Leased-EREC 244433L-05	0.817000%	0.9205
	<u>Virginia Thacker Heirs</u>			
	R. E. Thacker and Helen Thacker, H/W 223 Steephill Road Blountville, TN 37617	Leased-EREC 244433L-20	0.817000%	0.9205
	<u>Arvil Robinette Heirs</u>			
	Willie Robinette and Thelma Robinette, H/W Route 1 Box 739 Norton, VA 24273	Leased-EREC 244433L-01	0.272333%	0.3068
	Ruth Robinette Smith, Widow Route 1 Box 739 Norton, VA 24273	Unleased	0.272333%	0.3068
	<u>Homer Robinette Heirs</u>			
	Margaret Whitt, Single 1046 Holly Court Norton, VA 24273	Leased-EREC 244433L-38	0.136167%	0.1534
	Gladys Boggs and Kerry Boggs, W/H Route 1, Box 478 Norton, VA 24273	Leased-EREC 244433L-22	0.136167%	0.1534
	<u>Burton Day Heirs</u>			
	Unknown	Unleased	4.085000%	4.6025
	<u>Nannie White Heirs</u>			
	<u>Dewey White Heirs</u>			
	Mable W. Addington and Harold Addington, H/W Route 2 Box 177 St. Stephens Church, VA 23148	Leased-EREC 244433L-16	0.340417%	0.3835

# EXHIBIT "B" V-2540

000113 OCT 27 5

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Lora Carter and Laxter Carter, H/W Route 1 Box 412A Hague, VA 22469	Leased-EREC 244433L-15	0.340417%	0.3835
	<u>Emmett White Heirs</u>			
	Katherine White, Widow 101 Durbin Way Vine Grove, KY 40175	Leased-EREC 244433L-14	[0.000000%] Life Estate	[0.0000]
	Lois Miller and Harold Miller, H/W 101 Durbin Way Vine Grove, KY 40175	Leased-EREC 244433L-14	0.136167% Remainderman	0.1534
	Ray White, Widower 22102 Loretta Road Woodhaven, MI 48183	Leased-EREC 244433L-24	0.136167% Remainderman	0.1534
	Anita Brooks, Widow 2701 West Water Ave., Apt. #1404 Tampa, FL 33614	Leased-EREC 244433L-13	0.136167% Remainderman	0.1534
	James Ralph White and Gloria White, H/W 694 Dudley Pike Ft. Mitchell, KY 41017	Leased-EREC 244433L-25	0.136167% Remainderman	0.1534
	Clova Kincer and Bobby Kincer, H/W 110 Harry Wise Road Lawrenceburg, KY 40342	Leased-EREC 244433L-04	0.136167% Remainderman	0.1534
	<u>Oakley White Heirs</u>			
	Della White, Widow HC 87, Box 2286 Kona, KY 41829	Leased-EREC 244433L-26	[0.000000%] Life Estate	[0.0000]
	Hazel Craft and Johnny Craft W/H HC 87 Box 2394 Kona, KY 41829	Unleased	0.226944% Remainderman	0.2557

# EXHIBIT "B" V-2540

000114 OCT 27 5

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Rayden White and Carolyn White, H/W HC 87 Box 2286 Kona, KY 41829	Leased-EREC 244433L-28	0.226944% Remainderman	0.2557
	<u>Nana White Sexton Heirs</u>			
	Diania Ritchie and Gary Ritchie, W/H 31927 Rosslyn Garden City, MI 48135	Leased-EREC 244433L-43	0.056736% Remainderman	0.0639
	Keith Sexton and Linda Sexton, H/W 476 County Road 520 Hanceville, AL 35077	Leased-EREC 244433L-41	0.056736% Remainderman	0.0639
	Carolyn Stewart and Gregory Stewart, W/H 11083 Jackson Avenue Taylor, MI 49180	Leased-EREC 244433L-42	0.056736% Remainderman	0.0639
	Edward Sexton, single PO Box 1154 Grayling, MI 49738	Leased-EREC 244433L-40	0.056736% Remainderman	0.0639
	<u>Charlie White Heirs</u>			
	Maggie White, Widow Route 1 Box 31 Jenkins, KY 41537	Leased-EREC 244433L-11	0.680834%	0.7671
	<u>Pearlie White Heirs</u>			
	Victoria Mullins and Worley Mullins, W/H Lot 19, Davidson MHP Bluefield, WV 24701	Leased-EREC 244433L-39	0.010316%	0.0116
	<u>Guilas Chisenhall Heirs</u>			
	Phyllis Chisenhall, Widow 1002 East Park Avenue NE Norton, VA 24273	Leased-EREC 244433L-29	0.134104%	0.1511

# EXHIBIT "B" V-2540

000115 OCT 27 5

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Jackie Chisenhall and Cherryl Chisenhall, H/W 2012 Rawlings Street Richmond, VA 23231	Leased-EREC 244433L-30	0.134104%	0.1511
	Miles Chisenhall and Wanda Chisenhall, H/W 8950 S. Quaker Road Quinton, VA 23141	Leased-EREC 244433L-02	0.134104%	0.1511
	Leroy Chisenhall and Carolyn Chisenhall, H/W 4602 Carpenter Road Richmond, VA 23222	Leased-EREC 244433L-07	0.134104%	0.1511
	<u>Eugene Chisenhall Heirs</u>			
	Georgia Chisenhall, Widow Route 2 Box 43 Wise, VA 24293	Leased-EREC 244433L-31	0.044701%	0.0504
	Randy Chisenhall and Gwen Chisenhall, H/W Route 2 Box 42 Wise, VA 24293	Leased-EREC 244433L-32	0.014900%	0.0168
	Dana Chisenhall, Single Route 2 Box 43 Wise, VA 24293	Leased-EREC 244433L-33	0.014900%	0.0168
	Terry Chisenhall and Regina Chisenhall, H/W #7 Idlewild Trailer Park Wise, VA 24293	Leased-EREC 244433L-34	0.014900%	0.0168
	Robin Chisenhall and Cynthia Chisenhall, H/W PO Box 1529 Wise, VA 24293	Leased-EREC 244433L-35	0.014900%	0.0168
	Regina Chisenhall, Single Route 2 Box 43 Wise, VA 24293	Leased-EREC 244433L-36	0.014900%	0.0168

# EXHIBIT "B" V-2540

000116 OCT 27 5

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Melissa Ann Chisenhall Long and Derik Long, W/H PO Box 1103 Norton, VA 24273	Leased-EREC 244433L-09	0.014900%	0.0168
	<u>Ewing White Heirs</u>			
	Willa Iris Sexton and Ernest E. Sexton, W/H 7103 John Adams Way Valley Station, KY 40272	Leased-EREC 244433L-10	0.170208%	0.1918
	Oma King and James King, W/H 219 W. Marshall Ave. Elkton, VA 22827	Leased-EREC 244433L-06	0.170208%	0.1918
	Arbutus Anderson and Don Anderson, W/H 151 Classic Lane Chattsworth, GA 30705	Leased-EREC 244433L-12	0.170208%	0.1918
	Leslie White, Single PO Box 92 McRoberts, KY 41835	Leased-EREC 244433L-03	0.170208%	0.1918
5	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREC 223096L-01 TR 697	1.600000%	1.8000
6	<u>HEIRS OF JAMES M. DAY</u>			
	<u>James A. Day Heirs</u>			
	<u>Maude Kilgore Heirs</u>			
	Arthur Kilgore and Shirley Kilgore, H/W P. O. Box 2438 Wise, VA 24293	Leased-EREC 244821L-26	1.587500%	1.7888
	<u>Delmar Day Heirs</u>			
	Belle Day AKA Belle Calhoun, Widow Route 2, Box 334 Wise, VA 24293	Leased-EREC 244821L-02	[0.000000%] Life Estate	[0.0000]

# EXHIBIT "B" V-2540

000117 OCT 27 5

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	James L. Day and Pam Tripplett Day, H/W 151 Kingston Circle Coppell, TX 75019	Leased-EREC 244821L-60	1.587500% Remainderman	1.7888
	<u>Roxanna Robinette Heirs</u>			
	Clarence Robinette, Widower P. O. Box 296 Wise, VA 24293	Leased-EREC 244821L-01	0.635000%	0.7155
	Goldie Stidham, Widow 311 Walnut Street Noblesville, IN 46060	Leased-EREC 244821L-11	0.635000%	0.7155
	<u>Crawford Robinette Heirs</u>			
	Ronnie Robinette and Gale Robinette, H/W 13028 Bellerive Drive Orlando, FL 23828	Leased-EREC 244821L-19	0.635000%	0.7155
	<u>Virginia Thacker Heirs</u>			
	R. E. Thacker and Helen Thacker, H/W 223 Steephill Road Blountville, TN 37617	Leased-EREC 244821L-03	0.635000%	0.7155
	<u>Arvil Robinette Heirs</u>			
	Willie Robinette and Thelma Robinette, H/W Route 1 Box 739 Norton, VA 24273	Leased-EREC 244821L-09	0.211667%	0.2385
	Ruth Robinette Smith, Widow Route 1 Box 739 Norton, VA 24273	Unleased	0.211667%	0.2385
	<u>Homer Robinette Heirs</u>			
	Margaret Whitt, Single 1046 Holly Court Norton, VA 24273	Leased-EREC 244821L-07	0.105833%	0.1192

# EXHIBIT "B" V-2540

000118 OCT 27 5

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<i>Gladys Boggs and Kerry Boggs, W/H Route 1, Box 478 Norton, VA 24273</i>	Leased-EREC 244821L-08	0.105833%	0.1192
	<b><u>Burton Day Heirs</u></b> Unknown	Unleased	3.175000%	3.5775
	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREC 223096L-01 TR 758	3.175000%	3.5775
7	<b><u>HEIRS OF JAMES M. DAY</u></b>			
	<b><u>James A. Day Heirs</u></b>			
	<b><u>Maude Kilgore Heirs</u></b>			
	Arthur Kilgore and Shirley Kilgore, H/W P. O. Box 2438 Wise, VA 24293	Leased-EREC 244821L-26	0.135000%	0.1525
	<b><u>Delmar Day Heirs</u></b>			
	Belle Day AKA Belle Calhoun, Widow Route 2, Box 334 Wise, VA 24293	Leased-EREC 244821L-02	[0.000000%] Life Estate	[0.0000]
	James L. Day and Pam Tripplett Day, H/W 151 Kingston Circle Coppell, TX 75019	Leased-EREC 244821L-60	0.135000% Remainderman	0.1525
	<b><u>Roxanna Robinette Heirs</u></b>			
	Clarence Robinette, Widower P. O. Box 296 Wise, VA 24293	Leased-EREC 244821L-01	0.054000%	0.0610
	Goldie Stidham, Widow 311 Walnut Street Noblesville, IN 46060	Leased-EREC 244821L-11	0.054000%	0.0610

# EXHIBIT "B" V-2540

000119 OCT 27 5

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Crawford Robinette Heirs</u>				
	Ronnie Robinette and Gale Robinette, H/W 13028 Bellerive Drive Orlando, FL 23828	Leased-EREC 244821L-19	0.054000%	0.0610
<u>Virginia Thacker Heirs</u>				
	R. E. Thacker and Helen Thacker, H/W 223 Steephill Road Blountville, TN 37617	Leased-EREC 244821L-03	0.054000%	0.0610
<u>Arvil Robinette Heirs</u>				
	Willie Robinette and Thelma Robinette, H/W Route 1 Box 739 Norton, VA 24273	Leased-EREC 244821L-09	0.018000%	0.0203
	Ruth Robinette Smith, Widow Route 1 Box 739 Norton, VA 24273	Unleased	0.018000%	0.0203
<u>Homer Robinette Heirs</u>				
	Margaret Whitt, Single 1046 Holly Court Norton, VA 24273	Leased-EREC 244821L-07	0.009000%	0.0102
	Gladys Boggs and Kerry Boggs, W/H Route 1, Box 478 Norton, VA 24273	Leased-EREC 244821L-08	0.009000%	0.0102
<u>Burton Day Heirs</u>				
	Unknown	Unleased	0.270000%	0.3050
<u>Nannie White Heirs</u>				
<u>Dewey White Heirs</u>				
	Mable W. Addington and Harold Addington, H/W Route 2 Box 177 St. Stephens Church, VA 23148	Leased-EREC 244821L-12	0.022500%	0.0254

**EXHIBIT "B" 000120 OCT 27 5**  
**V-2540**

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Lora Carter and Laxter Carter, H/W Route 1 Box 412A Hague, VA 22469	Leased-EREC 244821L-10	0.022500%	0.0254
	<u>Emmett White Heirs</u>			
	Katherine White, Widow 101 Durbin Way Vine Grove, KY 40175	Leased-EREC 244821L-25	[0.000000%] Life Estate	[0.0000]
	Lois Miller and Harold Miller, H/W 101 Durbin Way Vine Grove, KY 40175	Leased-EREC 244821L-24	0.009000% Remainderman	0.0102
	Ray White, Widower 22102 Loretta Road Woodhaven, MI 48183	Leased-EREC 244821L-14	0.009000% Remainderman	0.0102
	Anita Brooks, Widow 2701 West Water Ave., Apt. #1404 Tampa, FL 33614	Leased-EREC 244821L-42	0.009000% Remainderman	0.0102
	James Ralph White and Gloria White, H/W 694 Dudley Pike Ft. Mitchell, KY 41017	Unleased	0.009000% Remainderman	0.0102
	Clova Kincer and Bobby Kincer, H/W 110 Harry Wise Road Lawrenceburg, KY 40342	Leased-EREC 244821L-05	0.009000% Remainderman	0.0102
	<u>Oakley White Heirs</u>			
	Della White, Widow HC 87, Box 2286 Kona, KY 41829	Leased-EREC 244821L-28	[0.000000%] Life Estate	[0.0000]
	Hazel Craft and Johnny Craft W/H HC 87 Box 2394 Kona, KY 41829	Unleased	0.015000% Remainderman	0.0169

# EXHIBIT "B" 000121 OCT 27 5 V-2540

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Rayden White and Carolyn White, H/W HC 87 Box 2286 Kona, KY 41829	Leased-EREC 244821L-29	0.015000% Remainderman	0.0169
	<u>Nana White Sexton Heirs</u>			
	Diania Ritchie and Gary Ritchie, W/H 31927 Rosslyn Garden City, MI 48135	Leased-EREC 244821L-65	0.003750% Remainderman	0.0043
	Keith Sexton and Linda Sexton, H/W 476 County Road 520 Hanceville, AL 35077	Leased-EREC 244821L-62	0.003750% Remainderman	0.0043
	Carolyn Stewart and Gregory Stewart, W/H 11083 Jackson Avenue Taylor, MI 49180	Leased-EREC 244821L-64	0.003750% Remainderman	0.0043
	Edward Sexton, single PO Box 1154 Grayling, MI 49738	Leased-EREC 244821L-63	0.003750% Remainderman	0.0042
	<u>Charlie White Heirs</u>			
	Maggie White, Widow Route 1 Box 31 Jenkins, KY 41537	Leased-EREC 244821L-06	0.045000%	0.0508
	<u>Pearlie White Heirs</u>			
	Victoria Mullins and Worley Mullins, W/H Lot 19, Davidson MHP Bluefield, WV 24701	Leased-EREC 244821L-15	0.000682%	0.0008
	<u>Guilas Chisenhall Heirs</u>			
	Phyllis Chisenhall, Widow 1002 East Park Avenue NE Norton, VA 24273	Leased-EREC 244821L-13	0.008864%	0.0100

**EXHIBIT "B" 000122 OCT 27 5**  
**V-2540**

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Jackie Chisenhall and Cherryl Chisenhall, H/W 2012 Rawlings Street Richmond, VA 23231	Unleased	0.008863%	0.0100
	Miles Chisenhall and Wanda Chisenhall, H/W 8950 S. Quaker Road Quinton, VA 23141	Leased-EREC 244821L-04	0.008863%	0.0100
	Leroy Chisenhall and Carolyn Chisenhall, H/W 4602 Carpenter Road Richmond, VA 23222	Unleased	0.008863%	0.0100
	<u>Eugene Chisenhall Heirs</u>			
	Georgia Chisenhall, Widow Route 2 Box 43 Wise, VA 24293	Leased-EREC 244821L-20	0.002955%	0.0033
	Randy Chisenhall and Gwen Chisenhall, H/W Route 2 Box 42 Wise, VA 24293	Leased-EREC 244821L-49	0.000985%	0.0011
	Dana Chisenhall, Single Route 2 Box 43 Wise, VA 24293	Leased-EREC 244821L-22	0.000985%	0.0011
	Terry Chisenhall and Regina Chisenhall, H/W #7 Idlewild Trailer Park Wise, VA 24293	Leased-EREC 244821L-47	0.000985%	0.0011
	Robin Chisenhall and Cynthia Chisenhall, H/W PO Box 1529 Wise, VA 24293	Leased-EREC 244821L-21	0.000985%	0.0011
	Regina Chisenhall, Single Route 2 Box 43 Wise, VA 24293	Leased-EREC 244821L-18	0.000985%	0.0011

# EXHIBIT "B" 000123 OCT 27 5 V-2540

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<i>Melissa Ann Chisenhall Long and Derik Long, W/H PO Box 1103 Norton, VA 24273</i>	Leased-EREC 244821L-36	0.000985%	0.0011
	<u>Ewing White Heirs</u>			
	Willa Iris Sexton and Ernest E. Sexton, W/H 7103 John Adams Way Valley Station, KY 40272	Leased-EREC 244821L-16	0.011250%	0.0127
	Oma King and James King, W/H 219 W. Marshall Ave. Elkton, VA 22827	Leased-EREC 244821L-17	0.011250%	0.0127
	Arbutus Anderson and Don Anderson, W/H 151 Classic Lane Chattsworth, GA 30705	Leased-EREC 244821L-23	0.011250%	0.0127
	Leslie White, Single PO Box 92 McRoberts, KY 41835	Unleased	0.011250%	0.0127
8	<u>C. A. CAPTAIN DAY HEIRS</u>			
	<u>Victoria Watts Heirs</u>			
	<u>Homer Watts Heirs</u>			
	Clara Watts, Widow Box 1015 Pound, VA 24279	Leased-EREC 244821L-48	1.218571%	1.3736
	<u>Ina Sutphin Heirs</u>			
	Romona Cantrell and Winfred Cantrell, H/W 50 S. Hazel Street Manheim, PA 17545	Leased-EREC 244821L-59	0.304643%	0.3434

# EXHIBIT "B" 000124 OCT 27 5

## V-2540

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Elizabeth Kennedy and Howard Kennedy, W/H 835 Rice Run Road Manheim, PA 17545	Leased-EREC 244821L-56	0.304643%	0.3434
	Barbara S. Mullins, Widow 23 Bimini Drive Manheim, PA 17545	Leased-EREC 244821L-53	0.304643%	0.3434
	<u>Donnie Sutphin Heirs</u>			
	Dorothy Sutphin, Widow 10702 Chestnut Street Los Alamitos, CA 90720	Unleased	0.101548%	0.1145
	Thomas Sutphin and Kimberly Sutphin, H/W 735 Eureka Road Wyandotte, MI 48192	Unleased	0.067698%	0.0763
	Ina Willis and Ricky Willis, W/H Route 1, Box 537 Norton, VA 24273	Leased-EREC 244821L-32	0.067698%	0.0763
	Gregory Sutphin, Single Route 1, Box 537 Norton, VA 24273	Leased-EREC 244821L-31	0.067698%	0.0763
	<u>Pearl Wampler Heirs</u>			
	James A. Wampler and Eileen M. Wampler H/W P. O. Box 403427 Hesperia, CA 92340	Leased-EREC 244821L-40	0.609285%	0.6868
	Mildred Kirkland, Widow 711 E. 13th Avenue, Apt. 206 Olympia, WA 98501	Leased-EREC 244821L-52	0.609285%	0.6868
	<u>Ruth Wampler Dean Heirs</u>			
	Bobby Dean, Single 1114 Central Street S.E. Olympia, WA 98501	Unleased	0.203095%	0.2289

# EXHIBIT "B" 000125 OCT 27 5 V-2540

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Kenneth Dean, Widower 509 West Harvard Shelton, WA 98584	Leased-EREC 244821L-41	0.203095%	0.2289
	Larry Dean and Laurel Dean, H/W 519 Stoll Road, SE Olympia, WA 98501	Leased-EREC 244821L-61	0.203095%	0.2289
	<u>Thelma Holle Heirs</u>			
	Ricky Holle 1114 Central St S.E. Olympia, WA 98501	Unleased	0.203095%	0.2289
	Frankie Austin Unknown	Unleased	0.203095%	0.2289
	<u>Marcella Lott Heirs</u>			
	Gretta Griffin and Jeff Griffin, W/H 4308 56th Street CT E Tacoma, WA 98443-2480	Unleased	0.067698%	0.0763
	Gregory Lott Unknown	Unleased	0.067698%	0.0763
	Ronnie Lott 29717 68th Avenue S. Roy, WA 95850-9786	Unleased	0.067698%	0.0763
	<u>Octova Woodruff Heirs</u>			
	Grace Carpenter and Boyd Carpenter, W/H 340 Old Mill Road 112 Santa Barbara, CA 93110-3773	Leased-EREC 244821L-58	0.609286%	0.6868
	Edwin Eugene Woodruff, Widower 627 Holland Drive Statesville, NC 28677	Leased-EREC 244821L-57	0.609286%	0.6868

# EXHIBIT "B" 000126 OCT 27 5 V-2540

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Virginia E. Farr and Harry Farr, W/H 116 Sunset Hills Drive Sedona, AZ 86336	Unleased	0.609286%	0.6868
	<u>Loma Woodruff Heirs</u>			
	Gladys Woodruff, Widow Unknown	Unleased	0.609286%	0.6868
	<u>Alice Harris Heirs</u>			
	Corie Couch by POA for Lorene C. Bond and Irene Couch 8228 Tyndale Road Richmond, VA 23227	Leased-EREC 244821L-38	0.812381%	0.9157
	Mae Brawley James Bond, AIF P. O. Box 9170 Richmond, VA 23227	Leased-EREC 244821L-39	0.812381%	0.9157
	<u>Charlie Harris Heirs</u>			
	Carolyn Manhatten Unknown	Unleased	0.812381%	0.9157
	<u>Alley Irwin Heirs</u>			
	<u>Charles Irwin Heirs</u>			
	Hazel Irwin, Widow Box 572 Pound, VA 24279	Leased-EREC 244821L-33	[0.000000%] Life Estate	[0.0000]
	Ronald Irwin and Betty Jean Irwin, H/W 393 Balch Street Morristown, TN 37813	Leased-EREC 244821L-34	2.437143% Remainderman	2.7471
	<u>E. M. Day Heirs</u>			
	E. M. Day, Jr., and Helen Day, H/W 1819 Sharps Chapel Road Sharps Chapel, TN 37866	Unleased	0.304643%	0.3434

**EXHIBIT "B"**  
**V-2540**

000127 OCT 27 5

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Gladys Woodruff, Widow Unknown	Unleased	0.304643%	0.3434
	Edna Addington and Ralph Addington, W/H 6630 North 7th Drive Phoenix, AZ 85013	Leased-EREC 244821L-45	0.304643%	0.3434
	<u>Mollie Hill Heirs</u>			
	Blanche Gibson, Widow P. O. Box 1026 Norton, VA 24273	Unleased	0.304643%	0.3434
	<u>Edith Wilson Heirs</u>			
	Janet Jones and Dorsel Jones, W/H Route 4, Box 628 Lafollette, TN 37766	Unleased	0.060929%	0.0687
	Fred E. Wilson and Pauline Wilson, H/W 702 Dunaway Street Miamisburg, OH 45342	Leased-EREC 244821L-86	0.060929%	0.0687
	Jack W. Wilson and Shirley Wilson, H/W 204 Rawson Drive New Carlisle, OH 45344	Leased-EREC 244821L-55	0.060929%	0.0687
	<u>Doyle R. Wilson, Sr. Heirs</u>			
	Doyle R. Wilson, Jr. 9909 Sheehan Road Centerville, OH 45429	Leased-EREC 244821L-44	0.030464%	0.0343
	Gloria W. Hoefler 2656 Washington Mill Road Bellbrook, OH 45305	Leased-EREC 244821L-44	0.030465%	0.0344

# EXHIBIT "B" V-2540

000128 OCT 27 5

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Ruth Wilson Heirs</u>				
	Kenneth E. Chitwood, single 5216 Buckner Drive Huber Heights, OH 45424	Leased-EREC 244821L-54	0.030464%	0.0344
	Cynthia Hunt and Kevin Hunt W/H 6066 Laycross Drive Huber Heights, OH 45424	Unleased	0.030464%	0.0344
<u>Elizabeth Bolling Heirs</u>				
	Guy Bolling and Hellen Bolling, H/W P. O. Box 1772 Wise, VA 24293	Leased-EREC 244821L-30	0.076161%	0.0858
	Barbara Lankist P. O. Box 254 Coleman, FL 33521	Leased-EREC 244821L-50	0.076161%	0.0858
	Pauline Roberts and Carl Roberts, W/H 1050 Circle Drive Wise, VA 24293	Leased-EREC 244821L-46	0.076161%	0.0858
	Kathy Bolling and Harold Bolling (W/H) PO Box 61 Coleman FL 33521-0061	Leased-EREC 244821L-51	0.076161%	0.0858
<u>W. M. Day Heirs</u>				
<u>Aggie Day Heirs</u>				
	Ronald Wayne Day Unknown	Unleased	0.304643%	0.3434
<u>Louie Presley Heirs</u>				
<u>Marshall Presley Heirs</u>				
	Gay Nell Presley, Widow Route 1, Box 1014 Norton, VA 24273	Leased-EREC 244821L-27	0.609286%	0.6868

# EXHIBIT "B" V-2540

000129 OCT 27 5

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<u>Harry Presley Heirs</u>			
	<u>Ova Presley, Heirs</u>	Leased-EREC 244821L-37	0.203095%	0.2289
	<i>Robin Presley, single</i> 3115 S. Brown St. Anderson, IN 40616			
	<i>Randy Presley, single</i> 1542 Heritage Hill Drive Richmond, VA 23232			
	<u>Hubert Presley Heirs</u>			
	<i>Virginia Presley Moore</i> 2721 Mound Road Box A1 Anderson, IN 40616	Unleased	0.406190%	0.4579
	<u>Maxie Gardner Heirs</u>			
	Mary Ann Jones and C. Sterling Jones, W/H 410 39th Court Vero Beach, FL 32968	Leased - EREC 244821L-43	0.609286%	0.6868
	<u>Edward DeLong Heirs</u> Unknown	Unleased	0.609286%	0.6868
	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREC 223096L-01 TR 758	0.304643%	0.3434
9	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREC 223096L-01 TR 732	12.880000%	14.5100
<b>UNIT TOTAL</b>			<b>100.000000%</b>	<b>112.6900</b>
Percentage of Unit Leased			86.350061%	
Percentage of Unit Unleased			13.649939%	
Acreage in Unit Leased				97.3068
Acreage in Unit Unleased				15.3832

000130 OCT 27 5

PROJECT OR WELL DESCRIPTION

DRILL AND COMPLETE NEW  
DEVELOPMENT WELL VP-2540  
( BUCK KNOB )

DATE PRINTED

9-Jul-97

PROJECT OR WELL LOCATION (INCLUDE STATE &amp; COUNTY)

WISE CO., VIRGINIA

TYPE WELL (DEVELOPMENT, EXPLORATORY)

DEVELOPMENT

TOTAL DEPTH

5175 '

SUBSIDIARY W.I.

0.720243

ACCOUNT CODES

DESCRIPTION

GROSS  
AMOUNTNET  
AMOUNT

1610.0001 AFE - WELL DRILLING AND COMPLETION

1610.100000 LEASEHOLD COSTS

1610.10020 LEASE ACQUISITION COSTS

Assignments

0

0

LEASE ACQUISITION COSTS

0

0

1620

INTANGIBLE DRILLING COSTS

1620.10000

IDC - DRILLING

1620.10010

Contract Footage

68400

49265

1620.10020

Daywork

1000

720

1620.10030

Contractor Setup

0

0

1620.10040

Abstracts

0

0

1620.10050

Curative and Title

8500

6122

1620.10055

Pre-Drilling Litigation

1500

1080

1620.10060

Survey Location and Plat

3500

2521

1620.10070

Directional Survey

0

0

1620.10080

Permits and Bonds

600

432

1620.10090

Right-of-Way - Bonds

0

0

1620.10100

Location/Roads/Restoration

20000

14405

1620.10110

Location Fees

0

0

1620.10120

Fuel and Power

0

0

1620.10130

Drilling Mud and Chemicals

0

0

1620.10140

Bits

0

0

1620.10150

Reamers and Stabilizers

0

0

1620.10160

Drilling Hammer

0

0

1620.10170

Drilling Water

0

0

1620.10180

Open Hole Logging (Coal &amp; Conventional)

8200

5906

1620.10190

Mud Logging

0

0

1620.10200

Coring

0

0

1620.10210

Core Analysis

0

0

1620.10220

Drill Stem Test

0

0

1620.10230

Surface Casing Cementing

3000

2161

1620.10240

Intermediate Casing Cementing

6500

4682

1620.10250

Misc. Cementing

0

0

1620.10260

Power Tongs Casing/Tubing

0

0

1620.10270

Floats/Baffles/Centralizers

700

504

1620.10280

Equipment Rental

0

0

1620.10290

Dozer

0

0

1620.10300

Transportation

2200

1585

1620.10310

Fishing Expenses

0

0

1620.10320

Sidetracking Expenses

0

0

1620.10330

Plugging Expenses

0

0

1620.10340

Surface Damages

0

0

1620.10700

Supervision

0

0

1620.10710

Well Control Insurance

0

0

1620.10720

Operator Overhead (Drilling Well Rate)

0

0

1620.10750

Other

500

360

IDC DRILLING

124600

89742

000131 OCT 27 5

ACCOUNT CODES	DESCRIPTION	GROSS AMOUNT	NET AMOUNT
1630.20000	IDC - COMPLETION		
1630.20010	Daywork		
1630.20020	Service Rig and Per Diem Charge	3000	2161
1630.20030	Fuel and Power	0	0
1630.20040	Drilling Mud and Chemicals	0	0
1630.20050	Bits	0	0
1630.20060	Floats/Baffles/Centralizers	600	432
1630.20070	Cased Hole Logging	1000	720
1630.20080	Perforation	2600	1873
1630.20090	Open Flow Test	0	0
1630.20100	Production Casing Cementing	5500	3961
1630.20110	Misc. Cementing	0	0
1630.20120	Acidize - Frac	26000	18726
1630.20130	Squeeze	0	0
1630.20140	Tank Rental	1500	1080
1630.20150	Completion Fluid (Water)	1500	1080
1630.20160	Frac Valves and Lines	400	288
1630.20170	Power Tongs for Casing/Tubing	0	0
1630.20180	Carbon Dioxide/Nitrogen	28000	20167
1630.20190	Completion Service	0	0
1630.20200	Contract Labor	2500	1801
1630.20210	Location Restoration	10000	7202
1630.20215	Drilling/Frac Fluid Disposal	1000	720
1630.20220	Right of Way Pipeline	0	0
1630.20230	Equipment Rental	0	0
1630.20240	Dozer	2000	1440
1630.20250	Transportation	2300	1657
1630.20260	Plugging Expense	0	0
1630.20700	Supervision	0	0
1630.20710	Well Control Insurance	0	0
1630.20720	Operator Overhead	0	0
1630.20750	Other	500	360
	IDC COMPLETION	88400	63669
1650.1950	Salaries and Wages - Allocated	1500	1080
1650.2950	Other Employee Compensation - Allocated	0	0
1650.3950	Payroll Taxes - Allocated	200	144
1650.4950	Workmens Compensation - Allocated	0	0
1650.5950	Employee Benefits - Allocated	400	288
1650.600	PER DIEM AND TRAVEL EXPENSES		
1650.6000	Per Diem Expenses	100	72
1650.6100	Travel Expenses	0	0
1650.6200	Personal Auto Mileage Reimb.	0	0
1650.6900	Other	0	0
1650.6950	Allocated	0	0
	PER DIEM AND TRAVEL EXPENSES	100	72
1657	Interest Expense		
	TOTAL INTANGIBLE DRILLING COSTS	215200	154996

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## ACCOUNT CODES

## DESCRIPTION

1660	LEASE AND WELL EQUIPMENT		
1660.10000	LEASE & WELL EQUIPMENT - DRILLING		
1660.10010	Drive Pipe	0	0
1660.10020	Conductor Pipe	600	432
1660.10030	Surface Casing (300' of 11 3/4")	4500	3241
1660.10040	Intermediate Casing (2250' of 8 5/8")	19500	14045
1660.10050	Other	0	0
1660.10055	Valves, Fittings, Line Pipe	0	0
	LEASE AND WELL EQUIPMENT - DRILLING	24600	17718
1670.20000	LEASE & WELL EQUIPMENT - COMPLETION		
1670.20010	Production Casing (5150' of 4 1/2")	17500	12604
1670.20020	Liner	0	0
1670.20030	Tubing (4950' of 2 3/8")	10900	7851
1670.20040	Packers and Retainers	0	0
1670.20050	Wellhead Equipment	1400	1008
1670.20055	Valves, Fittings, Line Pipe	2500	1801
1670.20060	Gathering Lines	0	0
1670.20070	Royalty Meters	0	0
1670.20080	Master Meters	0	0
1670.20090	Consumers Meters	0	0
1670.20100	Separators	1500	1080
1670.20110	Drips	0	0
1670.20120	Heater Treaters	0	0
1670.20130	Tank Battery	1500	1080
1670.20140	Well Testing Facilities	0	0
1670.20150	Pumping Unit	0	0
1670.20160	Sucker Rods	0	0
1670.20170	Downhole Pump	0	0
1670.20180	Other	0	0
	LEASE AND WELL EQUIPMENT - COMPLETION	35300	25425
	TOTAL LEASE AND WELL EQUIPMENT	59900	43143
	TOTAL COMPLETED WELL COST	275100	198139
	TOTAL DRY HOLE COST	149200	107460

Reviewed and Approved

Date: 7-11-97

Robert A. Dahlin  
Production SpecialistINSTRUMENT #970004356  
RECORDED IN THE CLERK'S OFFICE OF  
WISE COUNTY ON  
OCTOBER 27, 1997 AT 03:00PM  
J. JACK KENNEDY, JR., CLERK

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BY: 

DEPUTY CLERK